

Optum Financial®

How to invest HSA funds over \$1,000

**PARTNERS
FOR HEALTH**

May 25, 2023



Agenda

- 1 Investment benefits
- 2 Investment threshold
- 3 Getting started investing
- 4 Transferring money into your investments
- 5 Moving money back to your HSA from investments
- 6 Q & A

Investing has potential benefits



**Grow savings
for the future**



**Your HSA always
belongs to you**



**Income tax-free
earnings**

Investments are not FDIC insured, are not bank issued or guaranteed by Optum Financial or its subsidiaries, including Optum Bank and are subject to risk including fluctuations in value and the possible loss of the principal amount invested.

Investment threshold

Minimum account balance to begin investing

Investment threshold:
\$1,000

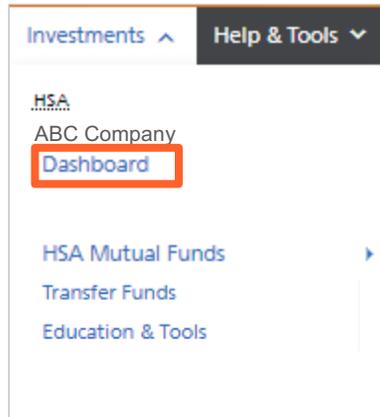
Minimum transfer amount:
\$100



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Investment threshold: Am I eligible?

Check your Investments Dashboard



- 1 Total HSA cash balance
- 2 HSA balance available to invest

The screenshot displays the HSA dashboard with the following information:

- HSA Account Summary:** Shows a total HSA balance of \$2,171.92 and an available balance of \$2,171.92. A "1" is placed over the available balance.
- My HSA at a Glance:** A summary box showing "Cash balance*" as \$2,171.92 (with a "1" over the amount) and "Total HSA balance" as \$2,171.92. A note states "*Balance as of 05/06/2022".
- Investment Education:** A section with text explaining the potential to grow the HSA and links for "Investment Education" and "Fund Information".
- 2016 Contributions:** A section with a congratulatory message: "Congratulations! You have hit your investment threshold." and "You may transfer and invest up to \$1,171.92 from your HSA." A "2" is placed over the amount. It also says "You may now open an investment account. Start investing today!" and includes buttons for "Start Investing" and "Allocation Calculator".
- My Available Funds:** A table listing investment options.

Investment name	Ticker symbol	Asset Class
VANGUARD SHORT-TERM CORP BD IDX ADMIRAL	VSCSX	Short Term Bond
VANGUARD SHRT-TERM INFL-PROT SEC IDX ADM	VTAPX	Short Term Bond
Vanguard Target Ret 2020	VTWNX	Indexed
Vanguard Target Ret 2030	VTHRX	Indexed
Vanguard Target Ret 2040	VFORX	Indexed

Hypothetical example for illustrative purposes only. Amounts and investments will vary depending on your unique circumstances.

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Getting information

Review the education and tools provided at optumbank.com/tennessee before investing:

- 1 Research your mutual fund options
- 2 Browse our HSA investment FAQs
- 3 Watch a video on HSA investing

... and more!

Options to invest your HSA funds
Accelerate your financial wellness, start investing now

Your HSA is a smart investment vehicle that can play an important role in your health and retirement strategy. In addition to mutual funds, Optum Bank is now offering a new investment option: actively managed investments with Betterment. Sign in and start investing.

[Sign In >](#)

Invest in your future

Your Optum Bank[®] Health Savings Account (HSA) provides more than medical cost savings. It's a smart investment option that can help you build a financial plan for today and tomorrow.

Investing HSA dollars has many potential tax benefits and can be an additional way to save for long-term health care needs and financial goals. HSAs are triple tax advantaged, making them an effective savings and investment account.

- Withdrawals for qualified medical expenses are income tax-free.
- All contributions to an HSA are income tax-free.
- And, any interest earnings and investment growth from deposits are income tax-free.

Once your HSA reaches a certain designated balance, typically \$2,000, you may choose to invest a portion of your HSA dollars. In addition to mutual funds, Optum Bank is excited to announce a new investment option: actively managed investments with Betterment.

You can use your HSA with other retirement accounts to maximize your after-tax retirement income. Saving in an HSA for retirement gives you a tax-advantaged account dedicated to future medical expenses — allowing you the opportunity to avoid spilling into retirement accounts intended for cost-of-living expenses. Also, HSAs are a great way to pay for qualified medical expenses in retirement. Once you reach age 65 you may use your HSA funds for non-qualified medical expenses without penalty — just pay ordinary income tax.

Investment guidelines

- When funds are transferred to your investment account, the amount of the transfer cannot bring the balance of your HSA below your investment threshold.
- The minimum amount that can be transferred to your investment account is \$100.
- You can't make payments for qualified medical expenses directly from your investment account. If you wish to use funds from your investment account to make payments, the funds will first need to be moved back into your HSA.

Start investing your HSA dollars

See the two investment options below:

Optum Bank mutual funds investments

[Start investing today](#)

Additional investment resources

Optum Bank mutual fund lineup
See a list of the standard investment options available as part of the Optum Bank HSA.

Investment disclosures
For investment disclosures, view the Electronic Consent Agreement and Trade Confirmation Waiver.

Frequently asked questions (FAQs) about investing
Get answers to common questions about investing with your Optum Bank HSA.



Getting started

Click **Start Investing** to begin your journey.

HSA \$2,171.92

Available Balance ⓘ
[Account Overview >](#)

My HSA at a Glance

Cash balance*	\$2,171.92
Total HSA balance	\$2,171.92

*Balance as of 05/06/2022

2016 Contributions

Congratulations! You have hit your investment threshold.

You may transfer and invest up to **\$1,171.92** from your HSA.

You may now open an investment account. Start investing today!

Start Investing

[Allocation Calculator](#)

My Available Funds

Investment name	Ticker symbol	Asset Class
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Vanguard Target Ret 2030	VTHRX	Indexed
Vanguard Target Ret 2040	VFORX	Indexed

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Investing with self-directed mutual funds; 12 custom mutual funds chosen for you by the state of Tennessee

Mutual Fund (Ticker Symbol)	Asset Class
Equity	
Vanguard Total Stock Market Index Admiral (VTSAX)	Large Blend
Vanguard Short-Term Inflation Protected Sec (VTAPX)	Inflation-Protected
Vanguard Total International Stock Index (VTIAX)	Foreign Large Blend
Lifestyle	
Vanguard Wellington Admiral (VWENX)	Allocation - - 50% to 70% Equity
Target Date	
Vanguard Target Retirement 2020 (VTWNX)	Target-Date 2020
Vanguard Target Retirement 2030 (VTHRX)	Target-Date 2030
Vanguard Target Retirement 2040 (VFORX)	Target-Date 2040
Vanguard Target Retirement 2050 (VFIFX)	Target-Date 2050
Vanguard Target Retirement 2060 (VTTSX)	Target-Date 2060+
Fixed Income	
Vanguard Total Bond Market Index Admiral (VBTLX)	Intermediate Core Bond
Vanguard Short Term Corp Bond Index Admiral (VSCSX)	Short Term Bond
Vanguard Total International Bond Index (VTABX)	World Bond

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Investing with self-directed mutual funds

- 1 Select funds and allocate percentages
- 2 Review and submit your fund elections
- 3 Choose how much to transfer
- 4 Review confirmation
- 5 Manage your account online

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Mutual funds: Select funds and allocate percentages

Example: Allocating four funds

Allocation	25% each
Initial investment:	\$1,000
Allocation:	\$250 per fund
Next investment:	\$100
Allocation:	\$25 per fund

OPTUMBank

Help Alan

Dashboard Accounts Payments Contributions Investments Help & Tools Settings

Set Up My Investments

I want to...

- 1 Select Fund Options
- 2 Confirm Fund Elections
- 3 Transfer Funds
- 4 Confirmation

Learn more about how to choose the funds that are right for you.

Fund Options

1. Choose your mutual fund investment options.
2. Enter your desired percentages in the column titled "%". The total must equal 100%.
3. After you confirm these changes, future transfers to investments will be allocated this way.

Enter percentage values for the funds you choose. The total value must equal 100%. Current value equals: 0%

Fund name	New Election %
Amer Cap World Grow & Inc †	edit %
Davis New York Venture Fund *	edit %
Goldman Sachs Balanced Strat	edit %

About investment elections

You have the flexibility to change the way future health savings account (HSA) dollars are allocated in your chosen HSA mutual funds. Simply enter your desired percentages in the column titled "New Election %". The total must equal 100%. Any changes made will apply to future transfers to HSA mutual funds.

Learn more by watching these short videos:

- HSA investing overview
- Investing: Change of elections

Investment Education

You have the potential to grow your

Hypothetical example for illustrative purposes only. Amounts and investments will vary depending on your unique circumstances.

1 Mutual fund selection and allocation

Select **Investments** in the nav bar, then **Education & Tools**.

- Select the funds you want to invest in and allocate a percentage
- Review and click Continue when you have allocated your elections in your chosen funds

OPTUMBank

Help Alan

Dashboard Accounts Payments Contributions Investments Help & Tools Settings

Set Up My Investments

I want to...

1 Select Fund Options 2 Confirm Fund Elections 3 Transfer Funds 4 Confirmation

[Learn more](#) about how to choose the funds that are right for you.

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Fund name	New Election %
VANGUARD SHORT-TERM CORP BD IDX ADMIRAL	edit %
VANGUARD SHRT-TERM INFL-PROT SEC IDX ADM	edit %
Vanguard Target Ret 2020	edit %

About investment elections

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Learn more by watching these short videos:

- [HSA investing overview](#)
- [Investing: Change of elections](#)

Investment Education

You have the potential to grow your

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2

Review and submit your elections

Review and confirm your fund elections.
Click **Submit Elections** at the bottom of the page.

1. Review and confirm your fund elections
2. Click **Submit Elections** at the bottom of the page

The screenshot shows the 'Set Up My Investments' page with a progress bar indicating four steps: 1. Select Fund Options, 2. Confirm Fund Elections (current step), 3. Transfer Funds, and 4. Confirmation. The main content area is titled 'Review and Confirm Your Fund Elections' and features a pie chart and a table. The pie chart shows three segments: a large orange segment (75.00%), a smaller yellow segment (20.00%), and a small green segment (5.00%). The table below the chart lists the fund names and their corresponding election percentages. A 'Submit elections' button is highlighted with a red box at the bottom of the page.

Fund name	New Election %
VANGUARD SHORT-TERM CORP BD IDX ADMIRAL †	75.00%
VANGUARD SHRT-TERM INFL-PROT SEC IDX ADM †	20.00%
Vanguard Target Ret 2020 †	5.00%

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3 Mutual funds: Choose how much to transfer

Once you have confirmed your election choices, you need to transfer funds from your HSA.

Enter amount to transfer from your HSA.

Click **Initiate Transfer**.

- Minimum transfer amount: \$100
- An auto-transfer can be setup at this point
- Must maintain a \$1,000 cash balance

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The screenshot shows the 'Set Up My Investments' page on the OptumBank website. The page is divided into four steps: 1. Start Fund Options, 2. Confirm Fund Elections, 3. Transfer Funds (the current step), and 4. Confirmation. The 'Transfer Funds' section includes a message: 'Your HSA investment account is now active. Thank you.' Below this is a form for 'Amount to Transfer' with a text input field labeled 'How much?' and a '\$100.00 minimum' note. To the right of the input field is a toggle for 'HSA auto-transfer : OFF' with a 'Setup' link. On the right side of the page, there is a 'Your Current Balance' summary box showing: Cash balance \$9,995.65, Mutual Funds \$0.00, Total HSA balance \$9,995.65, and Total you can transfer \$9,495.65. Below that is an 'Investment Education' section with a link to 'Investment Education'. At the bottom, there is a dark banner with the text 'HOW DOES YOUR HSA FIT INTO YOUR FINANCIAL PLAN?' and the Betterment logo.

5

Account management tools

My HSA at a Glance

Cash balance*	\$2,171.92
Mutual Funds by Optum Bank	\$0.00
Total HSA balance	\$2,171.92

*Balance as of 08/14/2020

My Mutual Fund Performance

Personal performance results are currently not available.

Requested Activities

Date	Transaction Type	Status	Amount	Conf #
8/14/2020	Online Enrollment Election %	Active	--	T2Y29EU

[View All Requested Activities](#)

Settled Transactions

Date	Transaction Type	Activity Type	Amount
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[View All Settled Transactions](#)

- Investments ^
- Help & To
- Dashboard
- Fund Information
- Education & Tools
- Detailed Transactions
- Settled Transactions
- Requested Activities
- Rebalance My Portfolio
- Manage Elections
- Transfer Funds
- Performance Results

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Managing your investments

Transfers and auto-transfers into your account

- 1 Choose to periodically transfer HSA dollars
- 2 Set up an auto transfer to do the work for you

The screenshot displays the 'Transfer Funds' page on the OptumBank website. At the top, the navigation bar includes 'Dashboard', 'Accounts', 'Payments', 'Contributions', 'Investments', 'Help & Tools', and 'Settings'. The user's name 'Alan' and a 'Help' link are visible in the top right. The main heading is 'Transfer Funds'. Below this, a progress indicator shows three steps: '1 Choose options', '2 Review and submit', and '3 Confirm'. The 'Choose options' step is currently selected. The 'Transfer details' section instructs the user to 'Use your HSA funds to invest in one of our investment options.' Under 'Accounts - From', the 'Health Savings Account (HSA)' is selected, showing a balance of \$9,995.65. Under 'Investments - To', 'Mutual Funds' is selected, showing a balance of \$0.00. The 'Amount' section features a 'How much?' input field with a '\$100.00 minimum' label. A red box highlights the 'HSA auto-transfer : OFF Setup' toggle, which is currently turned off. A 'Review' button is located at the bottom of the page.

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Managing your investments

Transferring funds outside your account

Transferring funds back to your HSA is simple.

From the Investments menu, click **Transfer Funds**, then **HSA to Investments**.



Tip

If you have auto-transfer set up, be sure to turn it off temporarily so that the funds you move to your cash account are not swept to your investments again before you use them.

The screenshot displays the Optum Bank website interface. At the top, the navigation bar includes 'Dashboard', 'Accounts', 'Payments', 'Contributions', 'Investments', 'Help & Tools', and 'Settings'. The 'Investments' menu is expanded, showing options like 'HSA', 'ABC Company', 'Dashboard', 'Betterment Transactions', 'HSA Mutual Funds', 'Transfer Funds' (highlighted with a red box), and 'Education & Tools'. The 'Transfer Funds' page is titled 'Transfer Funds' and features a 'Transfer type' section with three options: 'HSA to Investments' (marked as unavailable), 'Investments to HSA' (highlighted with a red box), and 'Investments to Investments'. A 'My HSA at a Glance' summary shows a cash balance of \$2,000.00 and Betterment Mutual Funds of \$8,958.98. The 'Manage your recurring transfer' section is also visible at the bottom.

Designate a beneficiary

Sign-in to your account and designate a beneficiary for your HSA. The beneficiary of your account will receive the money if you pass away and will have the choice of keeping the HSA for medical expenses or getting the funds (taxed as income).



How to designate a beneficiary

I want to...

View Transactions

Make a Payment

Statements & Docs

Reimburse Myself

Make a Deposit

Manage Debit Cards

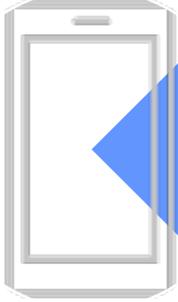
Manage Beneficiaries

Manage Investments

More Useful Links >

The screenshot displays the Optum website interface for adding a new HSA beneficiary. The top navigation bar includes the Optum logo, a 'Help' link, and a 'Sign out' link. Below the navigation bar, the page title is 'Add a New HSA Beneficiary'. On the left side, there is a sidebar menu with the following items: 'HSA ****2388 \$74.56 Available balance Account Overview', 'Account/Plan Management' (with sub-items: Account Details, Account Statements, Bank Accounts, Checkbooks, Debit Cards, Family Profile, and Beneficiaries), and 'Questions?' (with contact information for automated and human support). The main content area is titled 'New Beneficiary Contact Information' and is divided into two steps: 'Contact info' and 'Confirmation'. The 'Contact info' step includes the following fields: 'First name', 'M.I.', 'Last name', 'Phone number', 'Street Address', 'Unit or Suite', 'City', 'State' (a dropdown menu), 'Zip code, plus four (optional)', 'Relationship' (a dropdown menu), 'Date of birth', and 'Social security number'. At the bottom of the form, there are 'Continue' and 'Cancel' buttons.

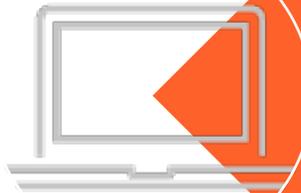
What if I have more questions?



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